

EXHIBIT 1

INTRODUCTION

Respondent Latino Builders Industry Association (hereafter “Latino Builders”) is a California corporation headquartered in San Diego, which operates as a Section 501(c)(6) business league organization under the Internal Revenue Code. Respondent assists minority businesses in the San Diego area in obtaining government contracts, and works to ensure that government agencies comply with minority hiring practices. Jose Mireles is the executive director of Respondent Latino Builders.

In this matter, Respondent Latino Builders made eleven contributions, totaling \$2,600, to: 1) city council candidates in the cities of Chula Vista, National City, and San Diego; 2) school board candidates in the Sweetwater Union High School District and the San Ysidro School District; and 3) a candidate for the State Assembly in the 79th Assembly District. The contributions were made between November 5, 2001 and October 27, 2004, in names other than Respondent’s own name, in violation of Government Code Section 84301 of the Political Reform Act.

For purposes of this Default Decision and Order, Respondent’s violations of the Political Reform Act (the “Act”)¹ are stated as follows:

- COUNT 1:** On or about November 5, 2001, Respondent Latino Builders Industry Association made a \$250 contribution to Bob Griego, a candidate for Chula Vista City Council, in the name of Ricardo Gomez, rather than its own name, in violation of Section 84301 of the Government Code.
- COUNT 2:** On or about November 5, 2001, Respondent Latino Builders Industry Association made a \$250 contribution to Bob Griego, a candidate for Chula Vista City Council, in the name of James Ridley, rather than its own name, in violation of Section 84301 of the Government Code.
- COUNT 3:** On or about November 15, 2001, Respondent Latino Builders Industry Association made a \$250 contribution to Ralph Inzunza, a candidate for San Diego City Council, in the name of James Ridley, rather than its own name, in violation of Section 84301 of the Government Code.
- COUNT 4:** On or about December 6, 2001, Respondent Latino Builders Industry Association made a \$500 contribution to Juan Vargas, a candidate for State Assembly – 79th Assembly District, in the name of James Ridley, rather than its own name, in violation of Section 84301 of the Government Code.
- COUNT 5:** On or about January 19, 2002, Respondent Latino Builders Industry Association made a \$250 contribution to Steve Padilla, a candidate for Chula

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

Vista City Council, in the name of J.V. Gomez, rather than its own name, in violation of Section 84301 of the Government Code.

COUNT 6: On or about February 1, 2002, Respondent Latino Builders Industry Association made a \$250 contribution to Steve Padilla, a candidate for Chula Vista City Council, in the name of Visaya Cunanan, rather than its own name, in violation of Section 84301 of the Government Code.

COUNT 7: On or about August 15, 2002, Respondent Latino Builders Industry Association made a \$200 contribution to Greg Sandoval, a candidate for Sweetwater Union High School District Board of Trustees, in the name of Visaya Cunanan, rather than its own name, in violation of Section 84301 of the Government Code.

COUNT 8: On or about October 24, 2002, Respondent Latino Builders Industry Association made a \$100 contribution to Nick Inzunza, a candidate for Mayor of National City, in the name of Ricardo Gomez, rather than its own name, in violation of Section 84301 of the Government Code.

COUNT 9: On or about September 24, 2003, Respondent Latino Builders Industry Association made a \$100 contribution to Steve Castaneda, a candidate for Chula Vista City Council, in the name of Julissa Cabrera, rather than its own name, in violation of Section 84301 of the Government Code.

COUNT 10: On or about October 14, 2004, Respondent Latino Builders Industry Association made a \$200 contribution to Steve Castaneda, a candidate for Chula Vista City Council, in the name of Julissa Cabrera, rather than its own name, in violation of Section 84301 of the Government Code.

COUNT 11: On or about October 27, 2004, Respondent Latino Builders Industry Association made a \$250 contribution to Raquel Marquez, a candidate for San Ysidro School Board of Trustees, in the name of Julissa Cabrera, rather than its own name, in violation of Section 84301 of the Government Code.

DEFAULT PROCEEDINGS UNDER THE ADMINISTRATIVE PROCEDURE ACT

When the Fair Political Practices Commission (hereafter the “Commission”) determines that there is probable cause for believing that the Act has been violated, it may hold a hearing to determine if a violation has occurred. (Section 83116.) Notice of the hearing, and the hearing itself, must be conducted in accordance with the Administrative Procedure Act (the “APA”).² (Section 83116.) A hearing to determine whether the Act has been violated is initiated by the filing of an accusation, which shall be a concise written statement of the charges specifying the statutes and rules which the respondent is alleged to have violated. (Section 11503.)

² The Administrative Procedure Act is contained in Government Code Sections 11370 through 11529.

Among the rights afforded to a respondent under the APA, is the right to file a Notice of Defense with the Commission in which the respondent may: (1) request a hearing, (2) object to the accusation's form or substance, or to the adverse effects of complying with the accusation, (3) admit to the accusation in whole or in part, or (4) present new matter by way of a defense. (Section 11506, subd. (a)(1)-(6).) A respondent must file a Notice of Defense with the Commission within 15 days after service of the accusation. (Section 11506, subd. (a).)

The APA provides that a respondent's failure to file a Notice of Defense within 15 days after service of an accusation constitutes a waiver of the respondent's right to a hearing. (Section 11506, subd. (c).) Moreover, when a respondent fails to file a Notice of Defense, the Commission may take action based upon the respondent's express admissions or upon other evidence, and affidavits may be used as evidence without any notice to the respondent. (Section 11520, subd. (a).)

PROCEDURAL REQUIREMENTS AND HISTORY

A. Initiation of the Administrative Action

Prior to the issuance of an accusation, the Commission must make a finding of probable cause that the respondent violated the Act. The statutory authority for the probable cause finding is set forth in Section 83115.5, which provides in pertinent part:

“No finding of probable cause to believe this title has been violated shall be made by the Commission unless, at least 21 days prior to the Commission's consideration of the alleged violation, the person alleged to have violated this title is notified of the violation by service of process or registered mail with return receipt requested Notice to the alleged violator shall be deemed made on the date of service, the date the registered mail receipt is signed, or if the registered mail receipt is not signed, the date returned by the post office.”

Section 91000.5 provides that no administrative action pursuant to Chapter 3 of the Act, alleging a violation of any of the provisions of Act, shall be commenced more than five years after the date on which the violation occurred. Section 91000.5, subdivision (a) provides that the service of the probable cause hearing notice, as required by Section 83115.5, upon the person alleged to have violated the Act, shall constitute the commencement of the administrative action.

In accordance with Sections 83115.5 and 91000.5, the Enforcement Division initiated administrative action against Respondent in this matter by serving Respondent with a Report in Support of a Finding of Probable Cause (hereafter the “probable cause report”) on November 9, 2007. The probable cause report was served on Respondent's attorney of record, who was authorized to accept service of the probable cause report. (See Certification of Records (hereafter “Certification”) filed herewith as Exhibit A, pp. 2-3 and incorporated herein by reference.)

Service was effective as to the Respondent on November 13, 2007 – the date the registered mail was received and signed for by Respondent's attorney of record. As required by Section 83115.5, the packet served on Respondent contained the probable cause report, advising that Respondent had 21 days in which to request a probable cause conference and/or to file a written response to the probable cause report. (See Certification; Exhibit A, pp.4-5) Respondent neither requested a probable cause conference nor submitted a written response to the probable cause report.

B. Ex Parte Request for a Finding of Probable Cause.

Since Respondent failed to request a probable cause conference or submit a written response to the probable cause report by the statutory deadline, on December 5, 2007, the Enforcement Division submitted an Ex Parte Request for a Finding of Probable Cause to Executive Director Michael B. Salerno. (See Certification; Exhibit A, p.6-8.) Respondent's attorney of record was sent copies of these documents by facsimile. (Certification; Exhibit A, p.9.)

On December 6, 2007, Executive Director Michael B. Salerno issued an Order Finding Probable Cause. (Certification; Exhibit A, p.10-12.)

C. The Issuance and Service of the Accusation.

Under the Act, if the Executive Director makes a finding of probable cause, he or she must prepare an accusation pursuant to Section 11503 of the APA, and serve it on the subject of the probable cause finding. (Regulation 18361.4, subd. (e).) Section 11503 provides:

“A hearing to determine whether a right, authority, license or privilege should be revoked, suspended, limited or conditioned shall be initiated by filing an accusation. The accusation shall be a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the respondent is charged, to the end that the respondent will be able to prepare his defense. It shall specify the statutes and rules which the respondent is alleged to have violated, but shall not consist merely of charges phrased in the language of such statutes and rules. The accusation shall be verified unless made by a public officer acting in his official capacity or by an employee of the agency before which the proceeding is to be held. The verification may be on information and belief.”

On December 6, 2007, the Executive Director issued an Accusation against the Respondent in this matter. In accordance with Section 11505, the Accusation and accompanying information, consisting of the Order Finding Probable Cause, two copies of a Notice of Defense form, a Statement to the Respondent, and copies of relevant Government Code Sections, were personally served on the Respondent on December 7, 2007, through its attorney of record, who provided written authorization to accept service on Respondent's behalf. (See Certification; Exhibit A, pp. 13-14.)

Section 11505, subdivision (c) provides that the Accusation and accompanying information may be sent to the respondent by any means selected by the agency, but that no order adversely affecting the rights of the respondent shall be made by the agency in any case unless the respondent has been served personally or by registered mail as set forth in Section 11505. Along with the Accusation, the Enforcement Division served Respondent with a “Statement to Respondent” which notified Respondent that it could request a hearing on the merits and warned that, unless a Notice of Defense was filed within fifteen days of service of the Accusation, Respondent would be deemed to have waived its right to a hearing. Respondent failed to file a Notice of Defense within the statutory time period, which ended on December 22, 2007.

On December 24, 2007, Senior Commission Counsel Melodee A. Mathay sent a letter to Respondent's attorney advising that this matter would be submitted for a Default Decision and Order at the Commission's next public meeting scheduled for January 10, 2008. A copy of the Default Decision and Order, and this accompanying Exhibit 1 with attachments, was included with the letter. (See Certification; Exhibit A, p.15.)

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed, so that voters may be fully informed, and improper practices may be inhibited. The Act therefore provides for the full disclosure of receipts and expenditures in election campaigns through the periodic filing of campaign statements, as provided in Sections 84200 through 84211.

Prohibitions Regarding Campaign Contributions

In order to obtain disclosure of the true source of a contribution, Section 84301 provides that no contribution shall be made, directly or indirectly, by any person in a name other than the name by which that person is identified for legal purposes.

Statute of Limitations for Administrative Proceedings

Section 91000.5 provides that an administrative action, pursuant to Chapter 3 of the Act (commencing with Section 83100) alleging a violation of any provision of the Act, shall not be commenced more than five years after the date on which the violation occurred. Subdivision (a) of that section states that the service of a probable cause hearing notice, as required by Section 83115.5, upon the person alleged to have violated the Act, shall constitute the commencement of the administrative action.

In addition, Section 91000.5, subdivision (b) provides that if a person alleged to have violated the Act engages in fraudulent concealment of his acts or identity, the five-year period shall be tolled for the period of concealment. For purposes of this subdivision, "fraudulent concealment" means the persons knows material facts related to his duties under the Act, and knowingly conceals them in performing or omitting to perform those duties, for the purpose of defrauding the public of information to which it is entitled under the Act.

SUMMARY OF THE EVIDENCE

Commission Investigator Sandra Buckner's declaration regarding the following summary of the evidence in this matter is attached hereto as Exhibit B.

According to records filed with the Office of the Attorney General, Respondent Latino Builders is a California corporation headquartered in San Diego, which operates as a 501(c)(6) business league organization under the Internal Revenue Code. The records reflect that Jose Mireles is the executive director of Respondent.

Investigator Sandra Buckner interviewed Jose Mireles on November 18, 2005 at Respondent's place of business in San Diego. Mr. Mireles stated that he made contributions to Chula

Vista City Council candidate Steve Padilla, because he knew him and he always supported Latino candidates. Mr. Mireles stated that he sometimes asked other people to attend political fund-raising events, but he didn't recall telling people that he would reimburse them if they made a contribution. Mr. Mireles stated that he did not recall reimbursing others for making contributions.

Mr. Mireles then advised that he and Respondent were represented by counsel, and the interview ended. Investigator Buckner served Mr. Mireles with a subpoena for his personal bank records, Respondent's business records, and a subpoena for his personal testimony. Investigator Buckner also served Respondent's employee, Julissa Cabrera, who was present, with a subpoena for her testimony and for her bank records. Mr. Mireles advised that Ms. Cabrera was also represented by Respondent's attorney.

As discussed in detail below, Respondent made campaign contributions through its employees, business associates, and/or their family members to various local and state campaigns in the San Diego area, between November 2001 and October 2004, while concealing itself as the true source of the contributions. Respondent did this through the actions of its executive director, by requesting that employees or business associates make campaign contributions, and then reimbursing those persons for their contributions. Through the execution of this campaign contribution scheme, Respondent was the true source of the following eleven campaign contributions:

CT	DATE	INTERMEDIARY	RECIPIENT – OFFICE SOUGHT	AMOUNT
1	11/05/01	Ricardo Gomez	Bob Griego Chula Vista City Council	\$250
2	11/05/01	James Ridley	Bob Griego Chula Vista City Council	\$250
3	11/15/01	James Ridley	Ralph Inzunza San Diego City Council	\$250
4	12/06/01	James Ridley	Juan Vargas State Assembly – 79 th Assembly District	\$500
5	01/19/02	J.V. Gomez	Steve Padilla Chula Vista City Council	\$250
6	02/01/02	Visaya Cunanan	Steve Padilla Chula Vista City Council	\$250
7	08/15/02	Visaya Cunanan	Greg Sandoval Sweetwater Union High School Board	\$200
8	10/24/02	Ricardo Gomez	Nick Inzunza National City Mayor	\$100
9	09/24/03	Julissa Cabrera	Steve Castaneda Chula Vista City Council	\$100
10	10/14/04	Julissa Cabrera	Steve Castaneda Chula Vista City Council	\$200
11	10/27/04	Julissa Cabrera	Raquel Marquez San Ysidro School Board	\$250
Total				\$2,600

Tolling of the Statute of Limitations as to Counts 1 – 8

With respect to Counts 1 through 8 above, Respondent, through the actions of its executive director Jose Mireles, fraudulently concealed that it was the true source of the campaign contributions set forth in Counts 1 through 8. A review of the campaign statements for the candidates set forth in Counts 1 through 7 revealed that Jose Mireles made contributions in his own name to the same candidates in the same or similar amounts, at or about the same time, as the contributions set forth in Counts 1 through 7. Respondent, as a corporation, was prohibited by campaign ordinances in the cities of Chula Vista and San Diego from making any contributions to the candidates set forth in Counts 1 through 3 and Counts 5 and 6. With respect to Count 4, Jose Mireles made a \$1,000 contribution to Juan Vargas on December 6, 2001, the same day as James Ridley's contribution. With respect to Count 7, Jose Mireles made a \$250 contribution and Respondent made a \$1,000 contribution to Greg Sandoval on August 15, 2002, the same day that Visaya Cunanan made her contribution. With respect to Count 8, Respondent made a \$1,000 contribution to Nick Inzunza on October 24, 2002, the same day that Ricardo Gomez made his contribution.

According to campaign statements filed by the candidates, Jose Mireles made contributions in his own name, or made contributions in the name of Respondent to all of candidates described above. According to interviews of Respondent's employees and business associates named above, these actions, coupled with Mr. Mireles' actions in directing employees to contribute to various candidates, and reimbursing them for making contributions similar to his, or providing them with cash to make the contribution, is evidence that he was aware of the contribution limits and the prohibition of making contributions through other persons without disclosing the true source of the contribution. These acts prevented disclosure of Respondent as the true source of the contributions as set forth in Counts 1 through 8. Through these actions, and pursuant to Section 91005.5, the statute of limitations is tolled for the period of concealment for the violations set forth in Counts 1 through 8.

By making eleven (11) contributions in names other than its own legal name, Respondent violated Sections 84301 of the Government Code as set forth more fully below.

COUNT 1

Commission Investigator Sandra Buckner contacted Ricardo Gomez by telephone on July 11, 2005 to inquire about contributions he made in 2002. In this interview, Mr. Gomez stated that in 2002 he worked for Respondent as the editor of its magazine *Latino Builders*. Mr. Gomez stated that he was politically active at that time, and made contributions to Ralph Inzunza and other local candidates using his own funds. Mr. Gomez then stated that he was uncomfortable talking on the telephone about the matter, and requested an in-person meeting.

On November 18, 2005, Investigator Buckner interviewed Ricardo Gomez at his parents' home in San Diego. Mr. Gomez stated that he worked as an independent contractor for Respondent starting in late summer of 2001 for about 12-18 months. He performed sales work, and later became the editor of Respondent's magazine *Latino Builders*. Mr. Gomez stated that Jose Mireles was his boss. While working for Respondent, Mr. Gomez stated that he attended political fundraisers, and usually made contributions using money orders. Mr. Gomez stated that he did not have a checking account at that time. Mr. Gomez stated that Mr. Mireles reimbursed him for any contributions he made by giving him a company check, which he would cash and use to purchase a money order. The check from Respondent would be in the exact amount of the contribution, and would be justified as a

reimbursement for gas or some other company expense. Mr. Gomez stated that he would not have made these political contributions with his own money at that time, due to budgetary restrictions.

According to a campaign statement filed by Bob Griego for City Council for the reporting period 10/01/01 to 12/31/01, Bob Griego was a candidate for the Chula Vista City Council. Mr. Gomez told Investigator Buckner, in his interview on November 18, 2005, that he did not use his own funds to make the campaign contribution to Bob Griego, but made the contribution at the direction of Respondent and was reimbursed by Respondent for making this contribution. According to the campaign statement referenced above, Bob Griego for City Council received a \$250 contribution from “Rick” Gomez on or about November 5, 2001. The campaign statement reported that Mr. Gomez employed by Latino Builders.

The above evidence establishes that Respondent was the true source of the \$250 contribution Ricardo Gomez made to Bob Griego on or about November 5, 2001.

COUNT 2

On July 5 and 8, 2005, and on September 1, 2006, Commission Investigator Sandra Buckner conducted three interviews with James Ridley. In the interviews, Mr. Ridley provided background information regarding Respondent’s business operation, and stated that he worked for Respondent from 1997 through March of 2003. Mr. Ridley stated that he became politically active while working for Respondent and made campaign contributions at the suggestion of Jose Mireles. Mr. Ridley stated that prior to 2002 he was reimbursed by Respondent for the contributions he made. Mr. Ridley stated that Jose Mireles asked that the contributions be made, and offered the reimbursements. From 2002 until he left Respondent’s employment, Mr. Ridley stated that he was not reimbursed for campaign contributions that he made. He stated that reimbursement prior to 2002 came in the form of an increased bonus check for any contributions he made. Reimbursements were made by a check drawn on Respondent’s bank account and signed by Jose Mireles. Mr. Ridley stated that he became uncomfortable with the reimbursements when he later learned that it was illegal, and after 2002, he began making contributions with his own funds.

A photocopy of a canceled check from Mr. Ridley’s checking account establishes that on or about October 25, 2001, Mr. Ridley wrote a check to “Bob Griego for City council” for \$250. According to a campaign statement filed by Bob Griego for City Council for the reporting period 10/01/01 to 12/31/01, Bob Griego was a candidate for the Chula Vista City Council. Mr. Ridley stated he made this contribution, at the behest of Respondent, and was reimbursed by Respondent for making the contribution.

According to the campaign statement referenced above, Bob Griego for City Council received Mr. Ridley’s \$250 check on or about November 5, 2001. The committee reported that Mr. Ridley was employed as an administrator for “Latino Builders.”

The above evidence establishes that James Ridley received reimbursement from Respondent for the \$250 contribution he made to Bob Griego on or about and between October 25, 2001 and November 5, 2001.

COUNT 3

As set forth in Count 2 above, and incorporated herein by reference, James Ridley worked for Respondent between late summer 2001 and March of 2003. Mr. Ridley stated that he received reimbursement from Respondent for campaign contributions he made during the latter part of 2001.

A photocopy of a canceled check from Mr. Ridley's checking account establishes that on or about November 15, 2001, Mr. Ridley wrote a check to "Ralph Inzunza for City Council" for \$250. According to a campaign statement filed by Ralph Inzunza for City Council for the reporting period 10/01/01 to 12/31/01, Ralph Inzunza was a candidate for the San Diego City Council. Mr. Ridley stated he made this contribution, at the direction of Respondent, and was reimbursed by Respondent for making the contribution.

According to the campaign statement referenced above, Ralph Inzunza for City Council received Mr. Ridley's \$250 check on or about November 16, 2001. The committee reported that Mr. Ridley was employed as a developer for "Latino Builders."

The above evidence establishes that James Ridley received reimbursement from Respondent for the \$250 contribution he made to Ralph Inzunza on or between November 15 and 16, 2001.

COUNT 4

As set forth in Counts 2 and 3 above, and incorporated herein by reference, James Ridley worked for Respondent between late summer 2001 and March of 2003. Mr. Ridley stated that he received reimbursement from Respondent for campaign contributions he made during the latter part of 2001.

A photocopy of a canceled check from Mr. Ridley's checking account establishes that on or about December 6, 2001, Mr. Ridley wrote a check to "Juan Vargas for Assembly" for \$500. According to a campaign statement filed by the "Committee to Re-Elect Juan Vargas" for the reporting period 10/01/01 to 12/31/01, Juan Vargas was a candidate for the State Assembly – 79th Assembly District. Mr. Ridley stated he made this contribution, at the behest of Respondent, and was reimbursed by Respondent for making the contribution.

According to the campaign statement referenced above, the Committee to Re-Elect Juan Vargas received Mr. Ridley's \$500 check on or about December 6, 2001. The committee reported that Mr. Ridley was employed as a developer for "Latino Builders."

The above evidence establishes that James Ridley received reimbursement from Respondent for the \$500 contribution he made to Juan Vargas on or about December 6, 2001.

COUNT 5

As set forth in Count 1 above, and incorporated herein by reference, Ricardo Gomez worked for Respondent as the editor of the Respondent's magazine during 2001 and 2002. Mr. Gomez stated that he received reimbursement from Respondent for campaign contributions that he made while employed by Respondent.

A photocopy of a money order from the Traveler's Express Company, Inc. establishes that on or about January 19, 2002, the money order was issued in the name of J.V. Gomez to the "Friends of Steve Padilla 2002" for \$250. According to a campaign statement filed by the Friends of Steve Padilla 2002 for the reporting period 01/01/02 to 01/19/02, Steve Padilla was a candidate for the Chula Vista City Council. In an interview with Commission Investigator Sandra Buckner and Accounting Specialist Bob Perna, Jesus Gomez was questioned about the \$250 contribution he reportedly made to Steve Padilla. Jesus Gomez stated that he did not make the contribution, and knew nothing about it. He stated that he never used his initials "J.V." and never made political contributions. He stated that his son, Ricardo Gomez, had worked for Respondent and Jose Mireles in the past, and that the employer listed for "J.V. Gomez" as "Go Go Promo" on Steve Padilla's campaign statement was a company owned by his son Ricardo Gomez.

In the interview with Ricardo Gomez on November 18, 2005, Ricardo Gomez was asked about the above money order issued in his father's name. Mr. Gomez stated that he purchased the money order in his father's name with money provided by Respondent at the request of Jose Mireles.

According to the campaign statement referenced above, the Friends of Steve Padilla 2002 received Mr. Gomez' \$250 money order on or about January 19, 2002. The committee reported that Mr. Gomez was employed in marketing by "Go Go Promo."

The above evidence establishes that Respondent was the true source of the \$250 contribution Ricardo Gomez made to Steve Padilla, in the name of his father, "J.V. Gomez," on or about January 19, 2002.

COUNT 6

On March 23, 2004, Investigator Buckner interviewed Visaya Cunanan. In her interview with Investigator Buckner, Ms. Cunanan stated that she had worked for Respondent for 3 ½ years as an outreach coordinator. She stated that her boss, Jose Mireles, recommended that she make campaign contributions and reimbursed her for the contributions she made. She stated that she was not financially able to make the contributions without reimbursement, and probably made only two contributions.

A photocopy of a canceled cashier's check from the Bank of America indicates that it was purchased by Visaya Cunanan on or about February 1, 2002 and made payable to "Padilla for Mayor" in the amount of \$250. According to a campaign statement filed by the Friends of Steve Padilla 2002 for the reporting period 01/20/02 to 02/16/02, Steve Padilla was a candidate for the Chula Vista City Council. In a later interview, Ms. Cunanan stated that Jose Mireles accompanied her to the bank to purchase the above cashier's check and gave her cash for the purchase.

According to the campaign statement referenced above, the Friends of Steve Padilla 2002 received Ms. Cunanan's \$250 cashier's check on or about February 1, 2002. The committee reported that information regarding Ms. Cunanan's occupation and employer had been requested.

The above evidence establishes that Respondent was the true source of the \$250 contribution Visaya Cunanan made to Steve Padilla on or about February 1, 2002.

COUNT 7

As set forth in Count 6 above, and incorporated herein by reference, Visaya Cunanan was employed by Respondent in 2002. Ms. Cunanan stated that she received reimbursement from Respondent through Jose Mireles for campaign contributions she made while employed by Respondent.

A photocopy of a canceled check from Ms. Cunanan's checking account establishes that on or about August 15, 2002, Ms. Cunanan wrote a check to the "Friends of Greg Sandoval" for \$200. According to a campaign statement filed by the Friends of Greg Sandoval for the reporting period 07/01/02 to 09/30/02, Greg Sandoval was a candidate for the Sweetwater Union High School District Board of Trustees. Ms. Cunanan stated she made this contribution, at the behest of Respondent, and was reimbursed by Respondent for making the contribution. Bank records subpoenaed from Ms. Cunanan's checking account reveal that she deposited \$200 in cash into the account on August 16, 2002, one day after she wrote the contribution check to Greg Sandoval.

According to the campaign statement referenced above, the Friends of Greg Sandoval received Ms. Cunanan's \$200 check on or about August 15, 2002.

The above evidence establishes that Visaya Cunanan received reimbursement from Respondent for the \$200 contribution she made to Greg Sandoval on or about August 15, 2002.

COUNT 8

As set forth in Counts 1 and 5 above, and incorporated herein by reference, Ricardo Gomez worked for Respondent as the editor of the Respondent's magazine during 2001 and 2002. Mr. Gomez stated that he received reimbursement from Respondent for the campaign contributions that he made while employed by Respondent.

A photocopy of a money order from the Western Union establishes that on or about October 24, 2002, a money order was issued in the name of Ricardo Gomez to the "Committee to Elect Nick Inzunza Mayor" for \$100. According to a campaign statement filed by the Committee to Elect Nick Inzunza Mayor for the reporting period 10/20/02 to 12/31/02, Nick Inzunza was a candidate for the Mayor of National City.

According to the campaign statement referenced above, the Committee to Elect Nick Inzunza Mayor received Mr. Gomez' \$100 money order on or about October 24, 2002. The committee reported that Mr. Gomez was employed as a marketing director by "Go Go Productions."

The above evidence establishes that Respondent was the true source of the \$100 contribution Ricardo Gomez made to Nick Inzunza on or about October 24, 2002.

COUNT 9

On July 12, 2005, Julissa Cabrera contacted Commission Investigator Sandra Buckner by telephone in response to a business card Ms. Buckner had left at her home on July 8, 2005. During the conversation, Ms. Cabrera stated that she had worked for Respondent since February 2002. She stated that she normally made political contributions, attended some of the fundraisers, and was a

candidate for a political committee a few years ago. She stated that she was not reimbursed for political contributions that she made.

Ms. Cabrera was served with a subpoena for her bank records on November 18, 2005 at her place of business. A photocopy of a canceled check from Ms. Cabrera's checking account establishes that on or about September 24, 2003, Ms. Cabrera wrote a check to the "Castaneda for C.V. Council" for \$100. According to a campaign statement filed by "Steve Castaneda for City Council" for the reporting period 07/01/03 to 09/30/03, Steve Castaneda was a candidate for the Chula Vista City Council. Although Ms. Cabrera stated previously that she had not been reimbursed for her contributions, her subpoenaed bank records reveal that she deposited \$100 in cash into her checking account on September 25, 2003, one day after she wrote the contribution check to Steve Castaneda. The bank records also reflect that Ms. Cabrera only had a checking account balance of \$235.24 on September 23, 2003.

According to the campaign statement referenced above, Steve Castaneda for City Council received Ms. Cabrera's \$100 check on or about September 24, 2003. The committee reported that Ms. Cabrera was employed by Respondent as a special projects coordinator.

The above evidence, coupled with the pattern of reimbursement set forth in Counts 1 through 8, establishes that Julissa Cabrera was reimbursed by Respondent for the \$100 contribution she made to Steve Castaneda on or about September 24, 2003.

COUNT 10

As set forth in Count 9 above, Julissa Cabrera has been employed by Respondent since February 2002. A photocopy of a canceled check from Ms. Cabrera's checking account establishes that on or about October 14, 2004, Ms. Cabrera wrote a check to the "Castaneda for C.V. City Council" for \$200. According to a campaign statement filed by "Steve Castaneda for City Council" for the reporting period 10/01/04 to 10/16/04, Steve Castaneda was a candidate for the Chula Vista City Council. Although Ms. Cabrera stated previously that she had not been reimbursed for her contributions, her subpoenaed bank records reveal that she deposited \$100 in cash into her checking account on October 15, 2004, one day after she wrote the contribution check to Steve Castaneda. The bank records also reflect that on the day Ms. Cabrera wrote the \$200 campaign contribution she only had a checking account balance of \$180.11.

According to the campaign statement referenced above, Steve Castaneda for City Council received Ms. Cabrera's \$200 check on or about October 14, 2004. The committee reported that Ms. Cabrera was employed by Respondent as a special projects coordinator.

The above evidence, coupled with the pattern of reimbursement set forth in Counts 1 through 9, establishes that Julissa Cabrera was reimbursed by Respondent for the \$200 contribution she made to Steve Castaneda on or about October 14, 2004.

COUNT 11

As set forth in Counts 9 and 10 above, Julissa Cabrera has been employed by Respondent since February 2002. A photocopy of a canceled check from Ms. Cabrera's checking account establishes that on or about October 27, 2004, Ms. Cabrera wrote a check to the "Raquel Marquez for

S.Y. School Board” for \$250. A review of the campaign statements filed by Raquel Marquez for the San Ysidro School Board for 2004 does not reveal that Ms Cabrera’s campaign contribution was ever reported. However, the above check from Ms. Cabrera’s account cleared her bank on November 5, 2004, indicating that it was cashed by Ms. Marquez’ campaign committee.

Although Ms. Cabrera stated previously that she had not been reimbursed for her campaign contributions, her subpoenaed bank records reveal that she deposited \$240 in cash into her checking account on October 28, 2004, one day after she wrote the contribution check to Raquel Marquez. The bank records also reflect that on the day Ms. Cabrera wrote the \$250 campaign contribution she only had a checking account balance of \$202.42.

The above evidence, coupled with the pattern of reimbursement set forth in Counts 1 through 10, establishes that Julissa Cabrera was reimbursed by Respondent for the \$250 contribution she made to Raquel Marquez on or about October 27, 2004.

CONCLUSION

Making campaign contributions in other than one’s own name is one of the most serious violations of the Act. It undermines one of the basic purposes of disclosing important information to the voting public regarding the true source of campaign support and contributions. In addition, at the time of the violations, a San Diego and Chula Vista city ordinance imposed a \$250 limitation on contributions to candidates for elected office per election cycle. As such, Respondent was prohibited from giving more than \$250 to candidates in these cities.

This matter consists of eleven counts, which carry a maximum possible administrative penalty of Fifty Five Thousand Dollars (\$55,000). The facts of the case justify imposition of an administrative penalty of Fifty Five Thousand Dollars (\$55,000).